

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 90-078-B
PHELPS GAS COMPANY, INC.)	

O R D E R

On December 7, 1990, the Commission issued its Order in Case No. 90-078 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On February 8, 1991, Phelps Gas Company, Inc. ("Phelps") notified the Commission that its wholesale cost of gas would be increased by its supplier, Columbia Gas of Kentucky, Inc. ("Columbia"), effective March 1, 1991, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Phelps' notice of February 8, 1991 set out certain revisions in rates which Phelps proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier.

2. Phelps calculated its proposed adjustment using Columbia's proposed IUS rate of \$3.8127 per Mcf. Columbia's approved IUS rate to be used in calculating Phelps' adjustment is \$3.8551.¹ The rates in the Appendix to this Order are designed to pass on the wholesale increase in the amount of \$8,939 or 53.49 cents per Mcf.

3. Columbia was granted increased rates effective March 1, 1991. Phelps requested a waiver of the 30-day filing requirement. Pursuant to KRS 278.180, upon Phelps' showing of good cause, Phelps' request should be granted. The effective date for the increase should be on and after March 1, 1991.

4. Phelps' adjustment in rates under the purchased gas adjustment provision approved by the Commission in its Order in Case No. 90-078 dated December 7, 1990 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after March 1, 1991.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Phelps are denied.

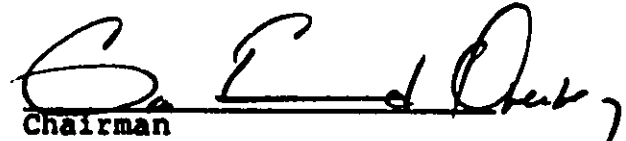
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after March 1, 1991.

3. Within 30 days of the date of this Order, Phelps shall file with this Commission its revised tariffs setting out the rates authorized herein.

¹ Case No. 90-063-A, Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., Order dated March 1, 1991.

Done at Frankfort, Kentucky, this 1st day of March, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-078-B DATED 3/01/91

The following rates are prescribed for the customers served by Phelps Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$8.2522 Minimum Bill
Over 1 Mcf	6.6221 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Phelps Gas Company, Inc. shall be:

	<u>Commodity</u>
Columbia Gas of Kentucky, Inc.	\$3.8551 per Mcf